

PUBLIC BIDDING PROCESS

City of Las Vegas
Purchasing & Contracts Division
October 21, 2009

PUBLIC PURCHASING

- PUBLIC POLICY AND LAWS ARE ESTABLISHED TO:
 - Promote competition
 - Ensure fair and level playing field among qualified bidders
 - Safeguard public funds from waste, fraud, and abuse
 - Prevent collusion, kick-backs, or other types of graft

Nevada Law

- Goods & Services require bids for contracts valued over \$50,000
 - No bidder preferences permitted except for products with recycled content
- Public Works Construction requires bids for contracts over \$100,000
 - Local bidder preference of 5% for contracts valued over \$250,000

PRE-BID MEETING

PURPOSE

- Discuss bid documents and the Instructions to Bidders.
- Enable prospective bidders to ask questions about the bidding process and specifications.
- Provide opportunity for training on the bidding process immediately following the pre-bid meeting

BID CONTENT

- Invitation to Bid
- Instruction to Bidders
- Bid Submittal Forms
- Scope of Work
- Technical Specifications
- Drawings and Plans
- General Conditions
- Special Provisions

BIDDER QUALIFICATIONS

GOODS & SERVICES

- Must consider licensing and license limits
- May also consider:
 - Financial Responsibility
 - Experience; Past Performance
 - Delivery Date
 - Other Criteria deemed in public's best interest by Purchasing and Contracts Mgr

BID EVALUATION & SUPPLIER SELECTION

■ Goods & Services

- Bids are evaluated by Purchasing staff and contract is awarded to lowest responsive and responsible bidder
- RFPs are evaluated by a cross-functional evaluation team facilitated by Purchasing. The team selects the most responsive and responsible firm. Purchasing negotiates final contract terms and pricing.

CONTRACTOR QUALIFICATION & SELECTION

- **PROCESS DIFFERS BY CONSTRUCTION DELIVERY METHOD**
 - DESIGN-BID-BUILD
 - Bid Process
 - DESIGN-BUILD
 - 2-Step RFQ/RFP Process
 - CONSTRUCTION-MANAGER-AT-RISK
 - 2-Step RFQ/RFP Process

DESIGN-BID-BUILD

- Traditional means of securing construction services
- Typically all contractors may submit bids
- Lowest “responsive and responsible” bidder is selected
 - Responsive – correct, accurate, consistent bid docs
 - Responsible – meets qualification/experience criteria
- Best suited for straight-forward construction projects – roads, utilities, infrastructure

DESIGN-BUILD

- Project team selected based on qualifications/experience
- Contract is awarded to Team (Designer/Contractor)
- Designer is responsible for subconsultants
- Contractor is responsible for subcontractors
- Project is not “bid” or awarded to a low bidder
- After team is selected, maximum amount is negotiated
- Maximum amount is fixed unless City adds scope
- Best suited for projects with significant construction work but limited technical/engineering issues.
- Can provide for faster completion, surety of cost

CONSTRUCTION-MANAGER-AT RISK (CMAR)

- Contractor and consultant are selected based on qualifications/experience
- Contractor and consultant are selected separately and partnered to work together
- City has separate contract with contractor and consultant
- Contractor provides input throughout design process
- GMP is negotiated during latter part of design
- Project is not bid or awarded to a low bidder
- Project cost is guaranteed unless City adds scope
- Best suited for technically complex projects
- Can provide for faster completion, surety of cost

PROTEST PROCESS

- Process established in NRS 332 for Goods & Services and NRS 338 for Construction
- Additional procedures in Resolution 89-2004 passed by City Council on May 19, 2004

PROTEST PROCESS

■ Notice of Protest

- Written statement of the provisions of law that were violated
- Bond in amount equal to the lesser amount of 25% of the bid or \$250,000
- For Construction – notice of protest and bond is due within 5 days after bid opening
- For Goods & Services – notice of protest and bond is due in the timeframe defined in the bid.

PROTEST HISTORY

COMPETITIVE AWARD & PROTEST HISTORY FY08 - FY10

	Competitive Awards	Awards to other than Lowest bidder	NRS Compliant Protests	Protests where CLV prevailed	NRS Non- Compliant Protests
FY08	75	2	0	0	0
FY09	67	2	2	2	1
YTD FY10	14	4	0	0	1

BID PROCESS

■ CONCLUSION

- Increase in number of Bidders
- Positive for driving competition
- Challenging because attracting new bidders unfamiliar with the bid process
 - Enhanced bid documents for clarity
 - Increased training opportunities on bid process
 - Extended bid opening dates due to ensure bidders' questions are answered